

Investing for the long run™



CPA:14

Corporate Property Associates 14
2008 First Quarter Report

A MEMBER OF THE

W. P. CAREY

GROUP

Dear Fellow Shareholders

We are pleased to provide you with updated information about our portfolio for the first quarter of 2008.

As of March 31, 2008, we own full or partial interests in 317 properties leased to 91 tenants, totaling approximately 30 million square feet.

Entering a more challenging economic environment, we will continue to manage our portfolio of properties closely and aggressively in order to create value for our shareholders. We do this by restructuring leases, refinancing mortgages, selling and releasing properties. We are proud that our portfolio of properties is over 99% occupied and broadly diversified by industry, region and property type.

Increasing Distributions

We strive to provide investors with income in the form of increasing distributions. Our board of directors increased the 2008 first quarter distribution to \$0.1954 per share, which was paid on April 15, 2008 to shareholders of record as of March 31, 2008.

Investing for the Long Run™

We would like to remind you that as of December 31, 2007 our estimated net asset value (NAV), based on third-party appraisals, was determined to be \$14.50 per share – up 9.8% from year-end 2006 and 45% over the initial purchase price of \$10 a share. We are proud of this accomplishment but note that especially in this environment, events could negatively affect these values. We have always believed in investing for the long run and adhere to this philosophy today.

Liquidity Event

The advisor has begun actively considering liquidity alternatives on our behalf, and currently anticipates that such a liquidity event may take place in 2008; however no decisions have been made as to when or in what form such an event might take place.

Madison's Tender Offer

Madison Liquidity Investors has solicited CPA® investors for several years offering to acquire their shares at a steep discount.

We recommend that you do not sell your shares to Madison Liquidity Investors. We strongly encourage you to contact your financial advisor, W. P. Carey's Investor Relations Department at 1-800-WP CAREY or by email at IR@wpcarey.com, or view the Securities and Exchange Commission's website, www.sec.gov, which can provide additional information on the dangers of these types of tender offers.

Online Account Access

Please consider receiving your future investor correspondence, such as this quarterly report, electronically. Register at www.wpcarey.com/ShareholderAccess and you will find a convenient and cost-effective way to access your CPA[®]:14 investment information online 24 hours a day, seven days a week. In addition to lowering shareholder expenses, you will be able to access your current investment balances and distribution history, among other options.

As we anticipate continued success through 2008, on behalf of the entire W. P. Carey family, we thank you again for your continued confidence and support.

With best regards,



Wm. Polk Carey
Chairman of the Board



Gordon F. DuGan
Chief Executive Officer



Edward V. LaPuma
President

Please note that these highlights provide only a summary of the information contained in our quarterly report on Form 10-Q for the three months ended March 31, 2008, which we have filed with the Securities and Exchange Commission. We encourage you to read the full report, which can be found at www.cpa14.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Three months ended March 31,	
	2008	2007
Cash Flows — Operating Activities		
Net income	\$ 22,187	\$ 8,741
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including intangible assets and deferred financing costs	9,713	9,543
Straight-line rent adjustments	(321)	(749)
Loss from equity investments in real estate in excess of distributions received	(204)	(737)
Minority interest in income	439	403
Issuance of shares to affiliate in satisfaction of fees due	3,032	2,270
Decrease in prepaid and deferred rental income and security deposits	(930)	(1,371)
Realized gain on foreign currency transactions, net	(1,365)	(610)
Unrealized gain on foreign currency transactions, net	(6)	(48)
Realized loss on sale of land	—	56
Unrealized loss on derivatives instruments and other, net	598	1,458
Receivable for advisor settlement	(10,868)	—
Change in other operating assets and liabilities, net	1,631	(250)
Net cash provided by operating activities	23,906	18,706
Cash Flows — Investing Activities		
Equity distributions received in excess of equity income in real estate	833	13,614
Proceeds from sale of land	—	1,850
Payment of deferred acquisition fees to an affiliate	(3,846)	(4,369)
Net cash (used in) provided by investing activities	(3,013)	11,095
Cash Flows — Financing Activities		
Distributions paid	(17,116)	(17,326)
Distributions paid to minority interest partner	(649)	(643)
Proceeds from mortgages and credit facility	1,315	15,900
Prepayment of mortgage principal and credit facility	(3,557)	(21,005)
Scheduled payments of mortgage principal	(4,350)	(4,159)
Deferred financing costs and mortgage deposits	(675)	(325)
Proceeds from stock issuance, net of costs	2,280	2,297
Purchase of treasury stock	(3,453)	(5,402)
Net cash used in financing activities	(26,205)	(30,663)
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	658	(63)
Net decrease in cash and cash equivalents	(4,654)	(925)
Cash and cash equivalents, beginning of period	122,503	18,991
Cash and cash equivalents, end of period	\$ 117,849	\$ 18,066

Consolidated Balance Sheets (Unaudited)

(in thousands except share and per share amounts)

	March 31, 2008	December 31, 2007 (NOTE)
Assets		
Real estate, net	\$ 1,146,039	\$ 1,139,131
Net investment in direct financing leases	128,112	128,058
Equity investments in real estate	167,233	166,125
Cash and cash equivalents	117,849	122,503
Intangible assets, net	77,917	79,353
Other assets, net	89,732	79,978
Total assets	\$ 1,726,882	\$ 1,715,148
Liabilities and Shareholders' Equity		
Liabilities:		
Non-recourse debt	\$ 853,181	\$ 847,587
Accounts payable, accrued expenses and other liabilities	17,218	15,515
Prepaid and deferred rental income and security deposits	26,844	27,898
Due to affiliates	21,952	26,039
Distributions payable	17,186	17,116
Total liabilities	936,381	934,155
Minority interest in consolidated entities	17,823	18,033
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.001 par value; 120,000,000 shares authorized; 92,503,602 and 92,112,004 shares issued and outstanding, respectively	92	92
Additional paid-in capital	900,085	894,773
Distributions in excess of accumulated earnings	(98,206)	(103,207)
Accumulated other comprehensive income	20,932	18,074
	822,903	809,732
Less, treasury stock at cost, 4,550,245 and 4,293,933 shares, respectively	(50,225)	(46,772)
Total shareholders' equity	772,678	762,960
Total liabilities and shareholders' equity	\$ 1,726,882	\$ 1,715,148

NOTE: The consolidated balance sheet at December 31, 2007 has been derived from the audited consolidated financial statements at that date.

Consolidated Statements of Income (Unaudited)

(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2008	2007
Revenues		
Rental income	\$ 36,686	\$ 35,303
Interest income from direct financing leases	3,808	4,068
Other operating income	1,532	393
	<u>42,026</u>	<u>39,764</u>
Operating Expenses		
Depreciation and amortization	(8,432)	(8,040)
Property expenses	(8,351)	(7,250)
General and administrative	(2,002)	(2,011)
	<u>(18,785)</u>	<u>(17,301)</u>
Other Income and Expenses		
Advisor settlement	10,868	—
Income from equity investments in real estate	3,265	2,589
Other interest income	1,286	604
Minority interest in income	(439)	(403)
Gain (loss) on foreign currency transactions, derivative instruments and other, net	773	(856)
Interest expense	(16,103)	(15,309)
	<u>(350)</u>	<u>(13,375)</u>
Income from continuing operations before income taxes	22,891	9,088
Provision for income taxes	(704)	(482)
Income from continuing operations	<u>22,187</u>	<u>8,606</u>
Discontinued Operations		
Income from operations of discontinued properties	—	135
Net Income	<u>\$ 22,187</u>	<u>\$ 8,741</u>
Earnings Per Share		
Income from continuing operations	\$ 0.25	\$ 0.10
Income from discontinued operations	—	—
Net income	<u>\$ 0.25</u>	<u>\$ 0.10</u>
Weighted Average Shares Outstanding	<u>88,020,378</u>	<u>87,786,481</u>
Distributions Declared Per Share	<u>\$ 0.1954</u>	<u>\$ 0.1934</u>



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